

House of Representatives  
Committee on Appropriations  
Eighty-ninth Congress  
Washington 25, D. C.

January 12, 1961

**CONFIDENTIAL**

Honorable Allen W. Dulles, Director  
Central Intelligence Agency  
Washington 25, D. C.

Dear Mr. Director:

This is to advise you that the Committee has no objection to your proposal for payment of separation compensation to selected individuals separated from the Central Intelligence Agency as surplus personnel, subject to certain conditions which the Committee wishes to impose.

First, it should be understood that this approval is temporary and does not extend beyond one year.

Second, the number of employees separated on this basis should not exceed 150 the first year.

Third, continuation of the authority beyond a single year will be made a subject of the annual budget review as a separately identified item.

Fourth, the Committee should be advised of actions taken under this proposal twice each year, including the cost for the period covered by the report.

Sincerely,

(s) Clarence Cannon  
Chairman

CENTRAL INTELLIGENCE AGENCY

Memorandum of Conversation

DATE: 12 January 1961

SUBJECT : Conversation with Mr. Samuel W. Crosby of the House Appropriations Committee Staff with regard to our Separation Compensation Proposal

PARTICIPANTS: House Appropriations Committee: Mr. Samuel W. Crosby, Staff Member

Central Intelligence Agency : Colonel L. K. White, Deputy Director  
(Support)

COPIES TO : DCI, DDCI, DD/I, DD/P, DD/S, COMPT, D/PERS, ~~LEG~~ COUN

1. On 11 January 1961 Mr. Samuel Crosby, a staff member of the House Appropriations Committee, telephoned to say that in presenting a letter for the Chairman to sign giving the Committee's reaction to our separation compensation proposal, Mr. Taber had objected inasmuch as it was his understanding that we were going to separate not more than 50 people during the first year under this authority. I advised Mr. Crosby that our proposal provided for not to exceed 250 for the first two years and not to exceed 50 each year thereafter. He said that this was the way he had understood the proposal but that Mr. Taber had in some way gotten it fixed in his mind that we were not going to separate more than 50 per year.

2. Mr. Crosby also said he felt that the Committee would insist on fixing some limitation for the first year inasmuch as their approval is only for the first year and must be reviewed at that time. In discussing what a proper figure for the first year might be, I suggested that it not be less than 150. I tried to point out to Mr. Crosby that it was in our interest from a morale standpoint to make the big reduction all at once and thereafter not to have to separate large numbers. He appeared to understand the situation, regretted that Mr. Taber had misunderstood and said that he would do his best to insure that our authorization provided for at least 150 during the first year.

DD/S:LKW:ecb

Distribution:


Orig - DCI

1 - Each other listed above

2 - DD/S (Chrono and Subject)

FORM NO. 1132  
1 FEB 57

151  
L. K. White  
Deputy Director  
(Support)

<b>CONFIDENTIAL</b>		
<b>TRANSMITTAL SLIP</b>		DATE 12 January 1961
TO: Legislative Counsel		
ROOM NO. 221	BUILDING East	
REMARKS:  LRH JSW 		
FROM: Deputy Director (Support)		
ROOM NO. 124A	BUILDING East	EXTENSION <input type="text"/>
FORM NO. 241 1 FEB 55		
REPLACES FORM 36-8 WHICH MAY BE USED.		
GPO: 1957-O-439445		(47)

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